



Statement by H.E. Archbishop Ivan Jurkovič, Permanent Observer of the Holy See  
to the United Nations and Other International Organizations in Geneva  
at UNCTAD Intergovernmental Group of Experts on E-commerce and the Digital Economy  
*3 April 2019*

Mr. Chairman,

At the outset I wish to congratulate you for your election and to thank the Secretariat for its preparatory work for the session, as well as the report.

The digital revolution has created opportunities for development that were once thought impossible. Trade is increasingly becoming digitalized, and cross-border data flows are becoming more important for international transactions. Technical advances continue to have dramatic effects on trade. While the traditional meaning of trade was essentially linked to goods, today, information and communication technology (ICT) has made it possible for a large number of services, financial as well as technical and professional, to be traded. From this perspective, it is clear that globalization and digitalization are not independent of each other.

Technology has reshaped global value chains and trade patterns. Activities affected by digitalization go beyond online trading and supply chain coordination, to using information and communications technologies (ICTs) for the integration of a wider range of activities into single systems, thus making value chains increasingly more data driven. The explosive growth of ICTs and the digital economy are transforming economies at an unprecedented pace. According to some estimates, approximately 500 billion devices of “Internet of things” will be in use by 2030.<sup>1</sup> Global e-commerce grew from \$19.3 trillion in 2012 to \$27.7 trillion in 2016, at a time when world production and trade grew very slowly.<sup>2</sup> The trend is set to continue in the coming years. Digitalization will further transform the things that we do and how we do them. However, the e-commerce divide is significant. While 60-80% of people in many developed countries already shop online, the equivalent share in most of the world’s countries is below 3%.

---

<sup>1</sup> Cisco, 2018, Cisco visual networking index: Forecast and trends, 2017–2022, White paper.

<sup>2</sup> World Trade Organization, World Trade Statistical Review 2018 available at: [https://www.wto.org/english/res\\_e/statis\\_e/wts2018\\_e/wts2018\\_e.pdf](https://www.wto.org/english/res_e/statis_e/wts2018_e/wts2018_e.pdf)

The ever-increasing use of robots, automation, the emergence of completely new products, services and business models will create opportunities for entrepreneurs and businesses, as well as bring substantial consumer benefits. At the same time, this trend will disrupt existing practices in many areas, changing the skill requirements of workers and unfortunately leading to the loss of jobs. To progress, people will need to acquire new skills and knowledge, and countries will need to update their policies to protect online users. Small companies will be especially vulnerable to the changing business environment.

Assessing the wider use and impact of these new technologies, particularly with respect to the 2030 Development Agenda, should not be detached from the economic environment in which they are instantiated. Digital connectivity can help to accelerate the achievement of the 2030 Agenda. Moreover, ICT provides new and more automated means to monitor and assess progress towards the Sustainable Development Goals (SDGs) and enable evidence-based decision-making.

While new digital technologies may provide additional impetus to income generation in developing countries, they also pose challenges because of the potential for greater monopolized control in some areas and the distributional implications of corporate rent-seeking.

An increased access to fast, affordable and reliable internet, as well as last-mile connectivity in rural and less populated areas, would reduce disparities in internet access and open e-commerce opportunities for more segments of the population. An infrastructure-sharing among operators and competitive licensing processes with private operators should be encouraged to help cover less-populated areas; furthermore, incentives could be offered by governments to attract private capital. Such an achievement would democratize opportunities by enabling consumers and producers to buy and sell what they want, to and from whoever they want, making trade more inclusive. It also gives them greater freedom of choice to make their transactions at lower costs, making trade much more competitive.

Investments in ICT infrastructures could represent a tool for inclusive growth and support and contribute to increase significantly the exports of developing countries, in particular, doubling the share of global exports by Least Developed Countries by 2020 (**Goal 17: Target 11**).

Experiencing the benefits of moving towards a digital world is obviously contingent upon the appropriate physical and digital infrastructure, as well as digital capabilities, but more effective policy frameworks and regulations are also necessary to ensure fair and equitable sharing of these benefits. While the precise policy strategy will be distinct for each country and reflect its specific conditions, there are some broad principles that can provide a framework. Current efforts are simply inadequate.

They are highly fragmented and of insufficient scale. To raise a country's e-commerce readiness, a number of policy areas need to address holistically the development of affordable ICT infrastructure, logistics and trade facilitation, the legal and regulatory environment, payment solutions, skills development and entrepreneurship financing, as well as the funding of e-commerce innovation.

Within this spectrum, our common interest is to shape together a global, multilateral and sustainable regulation that will enable the inclusion of the marginalized populations into the digital market. Consequently, the governance of e-commerce must guarantee the protection of consumers and producers, through transparent rules and norms, making trade more fair and equitable.

In conclusion, Mr. Chair,

Looking at the current challenges and the potential benefits for all deriving from the ICT economy, we have before us the unique possibility to transition from an economy with many inequalities "where selfishness and the abuse of power have an enormous potential to harm the community"<sup>3</sup> to a model of economy of inclusion.

The Delegation of the Holy See calls upon UNCTAD, and the international community, to take seriously its responsibility to advance a development-friendly international economic environment within which everyone can make use of the potential benefit of the digital economy. "It is important that ethics once again play its due part in the world of finance and that markets serve the interests of peoples and the common good of humanity."<sup>4</sup> We look forward to this session and hope that the outcomes of this week will pave the way for a fairer and more inclusive system of trade.

Thank you, Mr. Chair.

---

<sup>3</sup> *Oeconomicae et pecuniariae quaestiones*. Considerations for an ethical discernment regarding some aspects of the present economic-financial system, §14.

<sup>4</sup> Address of Pope Francis to the participants in the Conference on impact investing for the poor, Rome 16 June 2014. Available at:

[https://w2.vatican.va/content/francesco/en/speeches/2014/june/documents/papa-francesco\\_20140616\\_convegno-justpeace.html](https://w2.vatican.va/content/francesco/en/speeches/2014/june/documents/papa-francesco_20140616_convegno-justpeace.html)